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A

VERIFIED STATEMENT OF CHARLES W. ERGEN

I, Charles W. Ergen, hereby declare and state as follows:

1. I am Chairman and Chief Executive officer of EchoStar Satellite Corporation ("EchoStar") and DirectSat Corporation ("DirectSat"). I am the controlling shareholder of EchoStar Communications Corporation ("EchoComm"), which is the sole ultimate parent of EchoStar and DirectSat.

2. I was the controlling shareholder of EchoStar when it filed an application with the Federal Communications Commission to build a Direct Broadcast Satellite ("DBS") system in 1988, and have been the controlling shareholder of EchoStar without interruption since that time. I have held my positions in DirectSat without interruption since DirectSat merged with an EchoComm subsidiary in January 1995.

3. EchoStar commenced construction of the first satellite of its system shortly after receiving eastern orbital and channel assignments in 1992. At that time, EchoStar decided to construct a 16-transponder satellite in reliance on the right to receive five additional channel assignments -- a total of 16 full-CONUS channels -- given EchoStar by the Commission in the 1989 Continental decision. EchoStar would not have built a

16-transponder satellite had it not been given that right. EchoStar had all the more reason to rely on that expectation because the Commission reconfirmed the Continental right in the 1992 Order granting eastern channel assignments to EchoStar.

4. The difference in cost between an 11-transponder and a 16-transponder satellite is in the tens of millions of dollars. The added costs of a 16-transponder satellite include additional traveling wave tubes, solar panels, batteries and other items, resulting in additional weight, which in turn dramatically increases the launch expense.

5. In 1992, EchoStar decided to proceed with construction of its DBS system, in which it has now invested hundreds of millions of dollars, on the basis of the expectation that it would receive the additional frequencies to which Continental gave it a conditional right.

6. The substantial investments made in DirectSat's DBS system after the merger of DirectSat with a subsidiary of EchoComm were similarly based on that expectation.

7. Without the Continental right to additional frequencies, I would have had in 1992 considerable doubt over whether the DBS system of EchoStar (with only 11 full-CONUS transponders) could viably compete against Hughes, which was already assigned 27 full-CONUS channels. A 27-channel full-CONUS

system can offer consumers 250% more programming than an 11-channel system, creating a hard-to-overcome built-in disadvantage. A similar disadvantage would persist for a 21-channel offering (e.g., the joint systems of EchoStar and DirectSat) compared to a 32-channel offering (the joint offerings of DirecTV and USSB). This disadvantage is further exacerbated by the structure of the deals between satellite distributors and important programming vendors, including major studios. Studios, for example, typically impose minimum carriage requirements on a substantial portion of the programming they sell. The minimum requirements for the less popular competitive offerings "eat up" a substantially larger portion of an 11 or 21-channel DBS system's capacity than in the case of a 27 or 32-channel system. This leaves the high capacity system much greater leeway to show the more popular offerings that are decisive in attracting subscribers.

8. In 1992 I and EchoStar believed that an 11-channel DBS system would likely be at a decisive disadvantage. Absent the right to receive additional channels, I would have considered whether to proceed with construction of a DBS system based on an entirely different set of assumptions, and would likely have reached a different decision than the course taken.

9. I reasonably perceived the promise given by the Commission in Continental as encouraging the bold DBS pioneers like me, EchoStar and DirectSat to risk substantial capital in a then highly uncertain venture in order to promote the emergence of competition to cable in the MVPD market. Now that this capital has been invested at great risk and the DBS prospects have become tangible enough for everyone to want to enter the fray, it would be entirely inappropriate to disregard the Commission's promise and the DBS pioneers' reliance on it, and deny them the reward to which the Commission entitled them.

10. In sum, EchoStar and DirectSat have heavily invested in reliance on their Continental rights, both in constructing 16-transponder satellites, and in deciding to proceed with construction of their systems in the first place.

11. The cost of sale, delivery, or transmission of programming for distribution by a DBS operator such as EchoStar typically is lower, not higher, than the cost incurred by programming vendors in their dealings with cable.

12. In a typical transaction between a cable operator and a programming vendor, the vendor incurs the cost of uplinking the signal and downlinking it to a large number of cable headends. It also incurs the cost of auditing each and every one

of those headends. Further, it often incurs substantial piracy costs.

13. On the other hand, in a typical transaction between a vendor and a satellite distributor such as EchoStar, the vendor incurs the cost of uplinking and downlinking the signal to only one location -- the satellite operator's uplink facility. In fact, the only reason why the vendor incurs the cost of using a satellite in the first place is the need of the cable operators for transmission to several headends. A DBS provider can obtain the programming by piggy-backing on the satellite transmission that is necessary for the cable operators, at no incremental cost for the vendor. But for the point-to-multipoint needs of the cable operators, the vendor could transmit its signal to a DBS provider by a cheaper, point-to-point means -- e.g., fiber. Further, the programming vendor needs to audit only one as opposed to many headends. Moreover, the risk of piracy is reduced because of the technological advances, and resulting in breaking EchoStar's and DirectSat's addressable digital compressed signal.

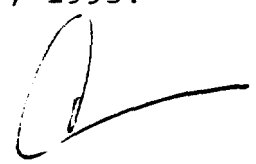
14. Similarly, there can be no significant economies of scale attaching to the number of subscribers. Conversely, the sale of programming to cable operators entails substantial

diseconomies of scale, as it requires service to several headends as opposed to one centralized facility.

VERIFICATION

I, Charles W. Ergen, verify under penalty of perjury that the information set forth in the foregoing is true and correct.

Executed on November 17, 1995.



Charles W. Ergen

B

DECLARATION OF CHARLES W. ERGEN

I, Charles W. Ergen, hereby declare and state as follows:

1. I am Chairman and Chief Executive Officer of EchoStar Satellite Corporation ("EchoStar") and Directsat Corporation ("Directsat"). I am the controlling shareholder of EchoStar Communications Corporation, the ultimate sole parent of EchoStar and Directsat.

2. EchoStar and Directsat have permits to build Direct Broadcast Satellite ("DBS") systems. EchoStar is currently authorized to use 11 "eastern" channels at the 119° W.L. orbital location, which is suitable for serving the entire continental United States ("full-CONUS"). Directsat is also assigned 10 eastern channels at 119° W.L. and one eastern channel at 110° W.L.

3. In 1989, the Federal Communications Commission granted to each of EchoStar and Directsat the right to receive additional eastern and western channels, up to 16, upon the cancellation of any other DBS permit. In reliance upon that right, both EchoStar and Directsat proceeded with construction of 16-transponder satellites.

4. The DBS systems of EchoStar and Directsat will have to compete with the incumbent DBS operator, an alliance of

DirecTV and USSB. DirecTV and USSB are using 27 and 5 DBS channels, respectively, at another full-CONUS orbital slot -- 101° W.L. They are offering a combined programming package that consists of almost 200 video channels.

5. EchoStar's first satellite was launched on December 28, 1995, and is now in the process of attaining "geostationary" orbit. The first satellite of Directsat cannot be launched before the summer of 1996.

6. The first half of 1996 will be critical in EchoStar's efforts to introduce its DBS service to consumers and establish itself as a viable competitor to DirecTV/USSB and local cable television systems.

7. If the Commission proceeds with the auction of 28 full-CONUS channels at 110° W.L. instead of reassigning channels in accordance with the Continental decision, EchoStar will be able to use only 11 of the 16 transponders on its first satellite.

8. Unlike the satellites of DirecTV, EchoStar's satellite is not switchable, i.e., its power cannot be switched from transponder to transponder and cannot be concentrated on fewer transponders to augment the number of video channels per transponder.

9. EchoStar has requested Special Temporary Authority ("STA") from the Commission to test and operate all transponders on its satellite on an interim basis. The Commission has not yet acted on this request. Even if granted, however, an STA would be on an uncoordinated basis at EchoStar's sufferance and would only allow EchoStar to operate for 180-day increments. Such an arrangement would not enable EchoStar to make long-term programming arrangements with respect to five of its satellite's sixteen transponders. Any interim carriage agreements that EchoStar might be able to reach would likely be for fully preemptible programming, and on substantially onerous terms. EchoStar would not be able effectively to market such programming as it would be subject to instant termination.

10. With the firm right to use only 11 transponders, EchoStar will be able to offer only about 75 video channels. If EchoStar were able to make long-term carriage arrangements for the entire capacity of its satellite, it would instead be able to offer about 110 video channels.

11. EchoStar's inability to use 5 of its first satellite's transponders on a permanent basis will irreparably impair its ability to compete viably against the incumbent multichannel video programming distributors. This harm will come at the critical time of the introduction of EchoStar's service.

12. EchoStar is also authorized to use 11 unspecified western channels. The Commission also granted to EchoStar the right to receive additional western channels, up to 16. EchoStar awaits specific western channel assignments, as it has completed contracting for the western satellite of its DBS system -- the prerequisite for receiving such assignments.

13. EchoStar's preferred western satellite location is 148° W.L. More than sixteen channels operating at that location recently became available because of the cancellation of the DBS permit of Advanced Communications Corporation. By letter to the Commission dated November 6, 1995, EchoStar expressed its preference for channels at 148° W.L.

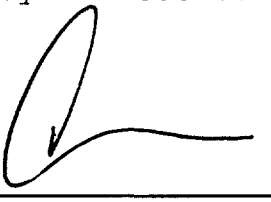
14. If the Commission auctions 24 channels at 148° W.L. in January 1996, EchoStar would incur additional costs and scheduling delays in constructing its western DBS satellite. If these channels are auctioned, EchoStar will necessarily receive assignments at another western orbital location. To comply with its diligence obligations, EchoStar will have to proceed with construction of its western satellite based on the assumption that the satellite will operate from its assigned western slot. If the auction is invalidated by the courts and the 148° W.L. assignments become available to EchoStar, EchoStar will have to

undertake substantial retrofitting to the satellite to make it suitable for the 148 W.L. orbital location.

15. If the Commission proceeds with the scheduled January auction, EchoStar will be compelled to participate as a bidder so as not to forfeit access to the auctioned channels. To assemble the necessary financing, EchoStar will need to incur multi-million dollar investment banking fees and/or a loan commitment. It will also have to devote substantial other resources to participating in an auction. EchoStar will not be able to recover any of these expenses even if the auction is later invalidated by the courts.

I, Charles W. Ergen, hereby declare under penalty of perjury that the foregoing is true and correct.

Executed on this 21st day of December, 1995.



Charles W. Ergen